

## **July 1, 2010, IDEA Fiscal Update**

### **Federal Grant Record Retention**

We have received questions about the period of time IDEA grant records must be maintained, including time and effort records. Such records must be maintained for at least four years after the end of the project year. Please note the requirement applies to both hard copy and electronic records. An LEA may not adopt a shorter schedule without the approval of the Wisconsin Public Records Board. A complete schedule for retaining school district records is published at <http://dpi.wi.gov/lbstat/pdf/wi-rrssd.pdf>.

### **Federally-Funded Equipment Records**

An LEA is required to implement procedures for managing equipment (including replacement equipment), acquired with federal grant funds. The requirements include:

- Maintaining property records;
- Physical inventories of the property;
- A control system to ensure adequate safeguards to prevent loss, damage, or theft;
- Adequate maintenance procedures; and
- If the LEA is authorized or required to sell the equipment, proper sales procedures to ensure the highest possible return.

Federal regulations for real property purchased with federal grant funds can be found at [http://edocket.access.gpo.gov/cfr\\_2004/julqtr/pdf/34cfr80.31.pdf](http://edocket.access.gpo.gov/cfr_2004/julqtr/pdf/34cfr80.31.pdf). Regulations for equipment may be found at [http://edocket.access.gpo.gov/cfr\\_2004/julqtr/pdf/34cfr80.32.pdf](http://edocket.access.gpo.gov/cfr_2004/julqtr/pdf/34cfr80.32.pdf).

### **Disposal of Real Property or Equipment**

Also from time to time we receive questions about procedures when real property (land, buildings and other improvements) or equipment purchased with IDEA funds is no longer needed for the special education program. When real property is no longer needed for the special education program, the LEA must request instructions from the DPI. The DPI will direct the LEA either to (1) retain title and compensate the DPI; (2) sell the property and compensate the DPI; or (3) transfer title to the DPI or to a third-party designated by the DPI. If the LEA transfers title to the property, it will receive compensation for its interest in the property, if any, when the property is transferred.

When equipment is no longer needed for the special education program, it may be used in other activities currently or previously supported by the US Department of Education or any federal agency. If it is no longer needed by the special education program or for other federally-supported activities, the LEA should determine and document the current per-unit fair market value of the equipment. If the current per-unit value is less than \$5,000, the LEA may retain, sell, or otherwise dispose of it with no further obligation to the DPI. If the value is \$5,000 or more, the LEA must compensate the DPI.

Before disposing of equipment with a per-unit fair market value of \$5,000 or more or any real property, an LEA should contact Rachel Zellmer at [rachel.zellmer@dpi.wi.gov](mailto:rachel.zellmer@dpi.wi.gov).

**Replacement of Federally-Funded Equipment**

We have been asked whether an LEA may purchase computers with IDEA funds and use them for the special education program during the fiscal year; then use them the next fiscal year for non-special education purposes, purchasing replacement computers for special education. The answer is “NO.” Federal regulations require IDEA-funded equipment be used in the special education program as long as it is needed for the program. If equipment is still needed for special education the year after purchase, it cannot be used for another purpose.